

MEMORANDUM

Date: April 1, 2008
To: All Interested Parties
From: Katrina M. Johantgen, Executive Director
Subject: State Charter School Facilities Incentive Grants Program
Revised Frequently Asked Questions

Revisions to the FAQ's have been underlined for your convenience.

This information is being provided to charter school representatives who plan to submit an application for the fourth funding round of the State Charter School Facilities Incentive Grant. This information is also posted on the Authority's web site, www.treasurer.ca.gov/csfa. If you have any questions or require additional information, you may contact the Authority by e-mail at csfa@treasurer.ca.gov, or by telephone at (916) 651-7710 or (213) 620-4467.

Q: *Are there any significant changes for this funding from previous funding rounds?*

A: There are is an important change for the fourth funding round:

Eligibility criteria have been expanded. Now, charter schools are eligible to apply for this grant program and also the Charter School Facilities Program (CSFP). Previously, schools receiving an apportionment under CSFP were not eligible to apply for this grant program. Now, schools are eligible to apply for and receive awards under both programs. However, funds awarded through this program may *not* be used to: 1) supplement a New Construction project funded through the Charter School Facilities Program; 2) make Charter School Facilities Program payments to the State; or 3) satisfy a Charter School Facilities Program recipient's local matching share. Funds from the two programs may not be used toward the same project or facility.

Q: *Which California charter schools will be eligible for this grant program?*

A: Any charter school will be eligible for this grant program if all of the following conditions apply. For additional information, please see California Code Regulations, Title 4, Section 10177.

- a) An approved charter has been awarded and is in place and current at the time of application.
- b) The charter school is in good standing with its chartering authority and is in compliance with the terms of its charter at the time of application submission, and throughout the term of the grant.
- c) The charter school has completed at least one school year of instructional operations as of June 2007, under its current CDS Code and Charter Number, issued by CDE.

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- d) The charter school is not a current recipient of funding through this article. *(Note: Charter schools (subgrantees) that received awards under the first three rounds are not eligible for Funding Round Four).*
- e) At least eighty percent (80%) of the instructional time offered by the charter school shall be at the school site, and the charter school shall attain an average daily attendance rate of at least eighty percent (80%) based on the school's most recent CBEDS report.
- f) The charter school is established pursuant to Education Code section 47600, et seq., and also meets the federal definition of charter school as defined in section 5210(1) of the Elementary and Secondary Education Act of 1965 (20 USCA section 7221(i)), as amended by the No Child Left Behind Act of 2001.
- g) The charter school admits students by lottery in the event more students want to attend the school than the school can accommodate.

Q: *What type of information should an applicant submit with its application to demonstrate that it is in good standing with its chartering entity, and in compliance with the terms of its charter?*

A: Aside from a copy of its current charter, an applicant does not need to submit anything from its chartering entity. Authority staff will seek verification that an applicant is in good standing and in compliance with the terms of its charter directly from the chartering entity.

Q: *Does an applicant (charter school) need to have a 501(c)(3) letter from the Internal Revenue Service to receive the twenty preference points?*

A: Pursuant to section 10182 of Title 4, California Code of Regulations, the school or entity operating the charter school must meet the definition of a nonprofit entity to receive the twenty preference points. If a school is operated by a nonprofit public benefit corporation, but does not have 501(c)(3) letter from the Internal Revenue Service, the applicant can provide a copy of the entity's letter from the California Secretary of State that reflects its nonprofit status.

Q: *Will schools be eligible to apply for funding from both the state's charter school facilities program (SB 740) and this program?*

A: Charter schools may apply for both programs because SB 740 will be providing grant funds toward a charter school's lease costs incurred during a prior school year, while this program, the State Charter School Facilities Incentive Grants Program, will be targeting costs to be incurred in a future school year.

Charter schools that receive grant funds authorized under either of these two programs should be aware that they may not receive funding in excess of 75 percent of annual lease costs through either program, or in combination with either program, for any one school year.

Q: *Who is responsible for determining the amount of low-income preference points (section 10182 of program regulations) that each school receives?*

A: The low-income preference points will be based on the Free & Reduced Price Meals percentage, as provided by the California Department of Education (CDE). Authority staff will access this information directly from CDE's web site.

Q: *Who is responsible for determining the amount of overcrowded preference points that each school receives?*

A: The overcrowded preference points will be based on current information on file with the Office of Public School Construction for the school district where each charter school is physically located. If current information is not available, the school will not receive any preference points for this category.

Q. *Who is responsible for determining the amount of Academic Performance Index Growth Target (API) preference points that each school receives?*

A. The API preference points, based on student performance for the most recent year, will be obtained from the California Department of Education (CDE). Authority staff will access this information directly from CDE's web site.

Q: *What if I miss the April 24, 2008 deadline for you to receive our application?*

A: Due to the time frame for this funding round and the competitive nature of this program, all applications must be received no later than April 24, 2008. Applications may be mailed or hand-delivered to either of the Authority's offices in Sacramento or Los Angeles by 5:00 p.m. on Thursday, April 24, 2008.

Q: *How can an applicant determine its maximum grant amount?*

A: The maximum annual grant award is based on a "lesser of the two" calculation.

Calculation 1) Authority staff will verify the number of students using the enrollment data provided by CDE and multiply that figure by the per-pupil grant amount of \$750 for lease or rent, or \$1,000 for purchase or construction.

Calculation 2) This calculation will be based on 75 percent of a school's annual facilities costs.

Grant Amount: The maximum annual eligible grant award will be the lesser of the two aforementioned calculations.

For example, if the school's enrollment is 200, then the calculation for lease or rent based on enrollment would be \$150,000 (200 x \$750). If the school's annual lease or rent is \$50,000, then the calculation

based on costs would be \$37,500 ($\$50,000 \times 75\%$). The lesser of the two calculations would be \$37,500, and the school would be eligible to receive an annual award of \$37,500 (lesser of the two).

Q: *Should the application be mailed to the Sacramento or the Los Angeles address?*

A: We prefer that applications be mailed to the Authority's office in Sacramento at:

California School Finance Authority
915 Capitol Mall, Room 336 (via the fifth floor mail room)
Sacramento, CA 95814

However, hand-delivered and mailed applications will be accepted at the Authority's offices in both Sacramento and Los Angeles, at the addresses listed on the first page of the application package. Please be aware that hand-delivered applications will not have a mailing date for use in the event of a tie-breaker.

Applications are due by April 24, 2008, which means they must be *received* by the Authority no later than 5:00 p.m. on Thursday, April 24, 2008. You may wish to use a mailing service that provides overnight delivery and tracking services.

As a reminder, pursuant to section 10183(a), applications with the earliest mailing date will be given preference in the event that more than one application has the same overall score and the same ranking after application of the tie-breaker method described in section 10183. Please be aware that hand-delivered applications will not have a mailing date for use in the event of a tie-breaker.

Q: *Will schools that receive funding through this program for construction or renovation projects be required to comply with Davis-Bacon wage levels?*

A: Yes. The Davis-Bacon Act requires that any federally funded or assisted construction project pay prevailing wages (if the contract exceeds \$2,000). Specific wage requirements may be found at the following link, www.gpo.gov/davisbacon/index.html, click on 'Browse Determinations by State'

Q: *Will charter schools that receive these federal funds for a construction project be required to comply with federal requirements, such as the National Environmental Protection Act (NEPA)?*

A: For the purposes of this grant program, all charter schools that receive an award of these grant funds will be required to meet all applicable federal, state, and local health and safety requirements.

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